

# Department of State, Foreign Operations Appropriations: A Guide to Component Accounts

Updated May 29, 2018

Congressional Research Service

<https://crsreports.congress.gov>

R40482

## Summary

The Department of State, Foreign Operations, and Related Programs appropriations legislation provides annual funding for almost all of the international affairs programs generally considered as part of the 150 International Affairs Budget Function (the major exception being food assistance). The legislation has also served as a vehicle for Congress to place conditions on the expenditure of those funds, and express its views regarding certain foreign policy issues.

This report briefly discusses the legislation generally and then provides a short description of the various funding accounts as they appear in Division K, “Department of State, Foreign Operations, and Related Programs Appropriations Act, 2018,” of the Consolidated Appropriations Act, 2018 (P.L. 115-141).

# Contents

Introduction .....	1
Account Descriptions .....	2
Title I—Department of State and Related Agency .....	2
Administration of Foreign Affairs.....	3
Diplomatic and Consular Programs (D&CP).....	3
Capital Investment Fund (CIF) .....	3
Office of Inspector General (OIG).....	3
Educational and Cultural Exchange Programs.....	4
Representation Expenses .....	4
Protection of Foreign Missions and Officials .....	4
Embassy Security, Construction, and Maintenance (ESCM).....	4
Emergencies in the Diplomatic and Consular Service .....	4
Repatriation Loans Program .....	4
Payment to the American Institute in Taiwan (AIT) .....	4
International Center, Washington, DC .....	5
Foreign Service Retirement and Disability Fund.....	5
International Organizations .....	5
Contributions to International Organizations (CIO) .....	5
Contributions for International Peacekeeping Activities (CIPA) .....	5
International Commissions.....	5
Broadcasting Board of Governors (BBG).....	5
International Broadcasting Operations.....	6
Broadcasting Capital Improvements .....	6
Related Programs .....	6
The Asia Foundation .....	6
United States Institute of Peace (USIP) .....	6
Center for Middle Eastern-Western Dialogue Trust Fund .....	6
Eisenhower Exchange Fellowship Program .....	6
Israeli-Arab Scholarship Program (IASP) .....	7
East-West Center.....	7
National Endowment for Democracy (NED).....	7
Other Commissions.....	7
Commission for the Preservation of America’s Heritage Abroad.....	7
United States Commission on International Religious Freedom (USCIRF) .....	7
Commission on Security and Cooperation in Europe (CSCE) .....	7
Congressional-Executive Commission on the People’s Republic of China .....	7
United States-China Economic and Security Review Commission.....	8
Title II—United States Agency for International Development (USAID) .....	8
Funds Appropriated to the President .....	8
Operating Expenses (OE) .....	8
Capital Investment Fund .....	8
Office of Inspector General.....	8
Title III—Bilateral Economic Assistance .....	8
Funds Appropriated to the President .....	8
Global Health Programs.....	8
Development Assistance (DA).....	9

International Disaster Assistance (IDA) .....	9
Transition Initiatives .....	9
Complex Crises Fund.....	9
Development Credit Authority (DCA).....	9
Economic Support Fund (ESF).....	10
Democracy Fund.....	10
Assistance for Europe, Eurasia, and Central Asia (AEECA).....	10
Department of State.....	10
Migration and Refugee Assistance (MRA).....	10
United States Emergency Refugee and Migration Assistance (ERMA) Fund.....	10
Independent Agencies .....	10
Peace Corps.....	10
Millennium Challenge Corporation (MCC).....	10
Inter-American Foundation (IAF).....	11
United States African Development Foundation (USADF).....	11
Department of the Treasury.....	11
International Affairs Technical Assistance.....	11
Title IV—International Security Assistance .....	11
Department of State.....	11
International Narcotics Control and Law Enforcement (INCLE).....	11
Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR).....	11
Peacekeeping Operations (PKO) .....	11
Funds Appropriated to the President .....	11
International Military Education and Training (IMET) .....	11
Foreign Military Financing Program (FMF).....	12
Title V—Multilateral Assistance .....	12
Funds Appropriated to the President .....	12
International Organizations and Programs (IO&P).....	12
International Financial Institutions .....	12
Title VI—Export and Investment Assistance .....	14
Export-Import Bank of the United States .....	14
Overseas Private Investment Corporation (OPIC).....	14
Trade and Development Agency (TDA) .....	14
Title VII—General Provisions.....	14
Title VIII—Overseas Contingency Operations/Global War on Terrorism .....	14

## **Contacts**

Author Information.....	15
-------------------------	----

## Introduction

The Department of State, Foreign Operations, and Related Programs (SFOPS) appropriations bill provides annual appropriations for the vast majority of international affairs programs comprising the 150 International Affairs Budget Function.<sup>1</sup> The State Department portion makes up about one-third of the funding, and the Foreign Operations accounts make up the remainder of the funds appropriated.<sup>2</sup>

Among the areas covered by the SFOPS appropriations legislation, and explained below, are the Department of State and the U.S. Agency for International Development's (USAID's) operating budgets; both assessed and voluntary U.S. contributions to international organizations and peacekeeping operations; U.S. nonmilitary international broadcasting; bilateral and multilateral U.S. foreign economic assistance; assistance to foreign militaries; antinarcotics funding; and funding for the Peace Corps, the Millennium Challenge Corporation, and several other programs through which the United States engages with the world to protect and advance U.S. national interests. Beyond providing funds, the appropriations bills, in recent years, also have been an important vehicle in conditioning the use of these funds and stating congressional views regarding foreign policy issues.

There are, however, several funding areas that are not covered by the SFOPS appropriations legislation that might be considered international affairs activities. These programs would include P.L. 480 Title II and other food assistance, part of the 150 budget function but funded by the Agriculture appropriations bill. While the State Department and USAID sponsor nearly four-fifths of U.S. and foreign participants in educational and cultural exchange programs, other government agencies are responsible for the remaining participants in such programs, including, for example, the short-term exchange of scientists program at the National Cancer Institute. The Department of Defense's Afghanistan Security Forces Fund (ASFF) supports the training and equipping of Afghanistan's police and military forces, its 10 U.S.C. 2282 (formerly known as "Section 1206") authority facilitates the strengthening of foreign military capacities, and its Drug Interdiction and Counter-Drug Activities Program provides counternarcotics support. These and other programs are funded through their own agency appropriations measures.

While the appropriation of funds is an authority reserved for Congress by the Constitution, the two-step authorization/appropriations process is established by House and Senate rules; and the authorization of appropriations is intended to provide guidance to appropriators as to a general amount and under what conditions funding might be provided to an agency or program.<sup>3</sup> However, in the case of the State Department and foreign assistance programs, it is prescribed by law that legislation authorizing appropriations is required before the appropriations can be made.<sup>4</sup>

---

<sup>1</sup> International affairs is one category of the various components of the federal budget designated by the Office of Management and Budget (OMB). Each category represents a major objective and operation of the federal government. Each function and subfunction is assigned a three-digit code. International affairs is 150. Subfunction 151 encompasses international development and humanitarian assistance; subfunction 152 consists of security assistance programs, etc. Accounts under the International Commissions category of the legislation are the exception—they are part of the 300 Natural Resources Budget Function.

<sup>2</sup> Until the 110<sup>th</sup> Congress, the State Department and Foreign Operations portions of the bill were developed in different Appropriations subcommittees and considered as separate bills.

<sup>3</sup> CRS Report RS20371, *Overview of the Authorization-Appropriations Process*, by Bill Heniff Jr.

<sup>4</sup> See §15 of the State Department Basic Authorities Act of 1956 (22 U.S.C. 2680) and §10 of the Foreign Military Sales Act amendments, 1971 (22 U.S.C. 2412).

These provisions have been waived in the years for which Congress has not enacted authorizations.<sup>5</sup>

Within the SFOPS appropriations legislation, account names have changed over the years and new accounts have been added and old ones terminated. In FY2008, for example, the International Disaster and Famine Assistance account became the International Disaster Assistance account. In the FY2009 bill, the Former Soviet Union account was combined with the Eastern Europe and Baltic States account to form a new Assistance to Europe, Eurasia, and Central Asia account. That account was discontinued in the FY2013 appropriations at the request of the Obama Administration, but was reinstated in FY2016. In the FY2006 bill, a new Democracy Fund was established. The overall organization of the legislation may change as well. The FY2009 bill added a new title (Title II) specifically for USAID operations.

In the FY2018 Consolidated Appropriations Act (P.L. 115-141) the Department of State, Foreign Operations, and Related Programs appropriations legislation (Division K) is divided into eight titles:

Title I	Department of State and Related Agency
Title II	United States Agency for International Development
Title III	Bilateral Economic Assistance
Title IV	International Security Assistance
Title V	Multilateral Assistance
Title VI	Export and Investment Assistance
Title VII	General Provisions
Title VIII	Overseas Contingency Operations/Global War on Terrorism

This report briefly explains the different accounts in the order they are presented in the FY2018 SFOPS appropriations legislation.

## Account Descriptions

### Title I—Department of State and Related Agency

Title I provides funds for (1) the personnel, operations, and programs of the Department of State; (2) U.S. participation in international organizations, such as the United Nations, as well as small commissions, such as the International Boundary and Water Commission between the United States and Mexico; (3) U.S. government, nonmilitary international broadcasting; and (4) several U.S. nongovernmental agencies and other U.S. commissions and interparliamentary groups, such as the U.S. Commission on International Religious Freedom.

---

<sup>5</sup> For example, see §7022 of the FY2018 Consolidated Appropriations Act, Division K P.L. 115-31 (P.L. 115-141). Most foreign operations program appropriations have not been authorized since 1987. For related discussion, see CRS Report R40089, *Foreign Assistance Act of 1961: Authorizations and Corresponding Appropriations*, by Dianne E. Rennack and Susan G. Chessier.

## Administration of Foreign Affairs

The Administration of Foreign Affairs account category provides funding for the personnel, operations, and programs of the Department of State as well as the construction and maintenance of its facilities in the United States and around the world.

### Diplomatic and Consular Programs (D&CP)

Diplomatic and Consular Programs is the principal operating account of the Department of State. The account includes four funding categories:

- **Human Resources.** Among the areas the Human Resources category funds are Department of State employee salaries for domestic and overseas American employees, costs associated with providing training to department employees at the Foreign Service Institute, and diversity recruitment and development programs such as the Pickering and Rangel Fellowships.
- **Overseas Programs.** The Overseas Programs category funds the operations of the various regional, functional, and administrative bureaus and many of their programs associated with the conduct of foreign policy; for example, in previous years it has funded programs of the bureaus of African Affairs, Near Eastern Affairs, and Conflict and Stabilization Operations while also covering the costs of department employees' travel on assignment.
- **Diplomatic Policy and Support.** The Diplomatic Policy and Support category is the source of funding for many of the department's strategic and managerial functions, such as the operations of the Office of the Secretary and the Bureaus of Administration, Budget and Planning, Legislative Affairs, Information Resource Management, the Comptroller and Global Financial Services, and Intelligence and Research.
- **Security Programs.** The Security Programs category provides funding for the department's security programs and policies, including those implemented by the Bureau of Counterterrorism and Countering Violent Extremism and the Office of Foreign Missions. It is also the primary source of funding for the Worldwide Security Protection subaccount, which provides funds to the Bureau of Diplomatic Security and other bureaus to implement programs to protect the department's staff, property, and information.

### Capital Investment Fund (CIF)

The Capital Investment Fund was established by Congress in 1994 to provide for purchasing information technology and other capital equipment to ensure efficient management, coordination, and utilization of IT resources.<sup>6</sup>

### Office of Inspector General (OIG)

This account funds the State Department's Office of Inspector General, which conducts independent audits, inspections, evaluations, and investigations of the programs and offices of the Department of State and the Broadcasting Board of Governors (BBG).

---

<sup>6</sup> See §135 of P.L. 103-236, as amended (22 U.S.C. 2684a).

## **Educational and Cultural Exchange Programs**

With funds appropriated to this account, the State Department manages U.S. educational, professional, and cultural exchanges, such as the Fulbright Scholar Program, the International Visitor Leadership Program, and the Congress-Bundestag Youth Exchange.

## **Representation Expenses**

Funding for the Representation Expenses account reimburses Foreign Service personnel for protocol-related entertainment costs that involve expanding relations with foreign officials, providing for the proper representation of the United States and its interests abroad, or contributing to the achievement of embassy objectives.

## **Protection of Foreign Missions and Officials**

This account provides funding for reimbursable expenses to municipal, state, and federal law enforcement agencies throughout the United States as a result of “extraordinary” services provided for the protection of foreign missions and officials.

## **Embassy Security, Construction, and Maintenance (ESCM)**

Embassy Security, Construction, and Maintenance funds provide for the general management and support of U.S. State Department facilities both in the United States and abroad. This account also funds Worldwide Security Upgrades (WSU), which provide the Department of State’s share of the costs involved with the planning, design, construction, and maintenance of embassies and facilities around the world.

## **Emergencies in the Diplomatic and Consular Service**

This account addresses unexpected events, such as the evacuation of U.S. diplomats and their families or, in some circumstances, private U.S. citizens or third-country nationals as a result of natural disasters, epidemics, terrorist attacks, or civil unrest. This account also pays for rewards for information related to international terrorism, narcotics-related activities, transnational organized crime, and war crimes. It also funds select activities of senior Administration officials pertaining to the conduct of foreign affairs, including participation in conferences such as G-20 Summits or OAS General Assemblies.

## **Repatriation Loans Program**

The Repatriation Loans Program allows the U.S. government to provide funds, on a loan basis, to destitute U.S. citizens abroad who are unable to fund their return to the United States.

## **Payment to the American Institute in Taiwan (AIT)**

The American Institute in Taiwan (AIT) is a nonprofit, private corporation tasked, in accordance with the Taiwan Relations Act (P.L. 96-8), with conducting or carrying out “[p]rograms, transactions, and other relations conducted or carried out by the President or any agency of the United States Government with respect to Taiwan.”<sup>7</sup> The account supports a contract providing for salaries, benefits, and other expenses associated with maintaining AIT.

---

<sup>7</sup> See 22 U.S.C. ch. 48



## **International Center, Washington, DC**

The International Center, or the International Chancery Center (ICC), is a 47-acre diplomatic enclave owned by the U.S. government located in Washington, DC. This account comprises fees collected from other executive agencies and proceeds from past leases that are used in turn to carry out ICC development, maintenance, security, and repairs.

## **Foreign Service Retirement and Disability Fund**

The fund is a mandatory expense that covers the U.S. government's portion of maintaining the Foreign Service Retirement and Disability System and the Foreign Service Pension System.

## **International Organizations**

Through the following two accounts in the International Organizations category, the United States meets its assessed obligations to the many international organizations and peacekeeping efforts that the United States supports.

### **Contributions to International Organizations (CIO)**

The Contributions to International Organizations account under the Department of State funds U.S. assessed contributions to the budget of the United Nations, certain U.N. system organizations, inter-American organizations, war crimes tribunals, and other intergovernmental organizations.

### **Contributions for International Peacekeeping Activities (CIPA)**

The Contributions for International Peacekeeping Activities account funds U.S. assessed contributions to U.N. peacekeeping operations worldwide. It also provides assessed contributions to the International Criminal Tribunal for the Former Yugoslavia and the International Residual Mechanism for Criminal Tribunals.

## **International Commissions**

Accounts under the International Commissions category provide funding for the U.S. portion of the salaries and programs of the following bilateral and multilateral commissions:

- International Boundary and Water Commission (between the United States and Mexico),
- International Joint Commission (between the United States and Canada),
- International Boundary Commission (between the United States and Canada),
- Border Environment Cooperation Commission (between the United States and Mexico), and
- International Fisheries Commissions.

## **Broadcasting Board of Governors (BBG)**

The sole listing under the "Related Agency" category, the Broadcasting Board of Governors (BBG) is the U.S. civilian international media agency. It comprises the Voice of America (VOA), Radio Free Europe/Radio Liberty (RFE/RL), Radio Free Asia (RFA), Alhurra TV and Radio Sawa (under the Middle East Broadcasting Networks [MBN]), and Radio and TV Martí (under

the Office of Cuba Broadcasting [OCB]). The broadcasting category is divided into the following two accounts:

### **International Broadcasting Operations**

The Operations account funds the operations of the BBG and all U.S. government, nonmilitary international broadcasts, including salaries and benefits for new hires, programmatic expansion priorities including increased focus on Venezuela and more comprehensive coverage of Central America, and other operating expenses.

### **Broadcasting Capital Improvements**

The Capital Improvements account supports improvements and maintenance of BBG's global transmission network and digital multimedia infrastructure and capital projects managed by Voice of America, the Office of Cuba Broadcasting, and the International Broadcasting Bureau Office of Security.

### **Related Programs**

Under this category, funds are provided to several nongovernmental organizations that have objectives that align with United States foreign policy. Most of these organizations are nonprofit organizations and receive funding from both U.S. government appropriations and private donations.

#### **The Asia Foundation**

The Asia Foundation is a nonprofit organization that seeks to strengthen democratic institutions in Asia, counter violent extremism, promote economic opportunities for Asian and U.S. businesses, and improve U.S.-Asian relations.

#### **United States Institute of Peace (USIP)**

The U.S. Institute of Peace works to increase the United States' capacity to prevent, mitigate, and help resolve international conflict without violence. It offers training, analysis, and additional resources to governments, organizations, and individuals seeking to build peace.

#### **Center for Middle Eastern-Western Dialogue Trust Fund**

The FY2004 Consolidated Appropriations Act (P.L. 108-199) created a trust fund to support the operations of the International Center for Middle Eastern-Western Dialogue (the Hollings Center). The Hollings Center promotes dialogue between the United States and nations with significant Muslim populations to generate new thinking on key international issues and expand people-to-people contacts.

#### **Eisenhower Exchange Fellowship Program**

The Exchange Program brings professionals who are rising leaders in their countries to the United States and sends their U.S. counterparts abroad with custom-designed programs for each participant. It provides learning and networking opportunities for all participants in preparation for increasingly senior positions in government, business, and nongovernmental institutions.

### **Israeli-Arab Scholarship Program (IASP)**

The IASP funds scholarships for Israeli Arabs to attend institutions of higher education in the United States.

### **East-West Center**

The East-West Center promotes better relations and understanding among the people and nations of the Asia-Pacific region and the United States through cooperative study, training, and research.

### **National Endowment for Democracy (NED)**

NED is a private, nonprofit organization dedicated to fostering the growth of a wide range of democratic institutions abroad, including political parties, trade unions, free markets, and business organizations.

### **Other Commissions**

The commissions and groups in the Other Commissions category of the SFOPS appropriations are organizations that are established by an act of Congress to advance certain U.S. objectives in the international arena. In the federal budget submission to Congress, these organizations are listed under the Legislative Branch Boards and Commissions (with the exception of the Commission for the Preservation of America's Heritage Abroad, which is listed under Other Independent Agencies); however, Congress funds them through SFOPS appropriations.

### **Commission for the Preservation of America's Heritage Abroad**

The 21-member commission seeks to identify and report on cemeteries, monuments, and historic buildings in Eastern and Central Europe that are associated with the heritage of U.S. citizens, particularly endangered properties. It also works to obtain, in cooperation with the Department of State, assurances from the governments of the region that the properties will be protected and preserved. The commission also encourages, sponsors, assists, and otherwise facilitates private and foreign government site restoration, preservation, and memorialization projects.

### **United States Commission on International Religious Freedom (USCIRF)**

In consultation with the State Department, the commission seeks to promote international religious freedom. It makes policy recommendations to the President, the Secretary of State, and Congress.

### **Commission on Security and Cooperation in Europe (CSCE)**

The CSCE is an independent U.S. government commission that seeks to advance American interests by promoting human rights, military security, and economic cooperation in the 57-country Organization on Security and Cooperation in Europe (OSCE).

### **Congressional-Executive Commission on the People's Republic of China**

The commission monitors human rights and the development of rule of law in China.

## **United States-China Economic and Security Review Commission**

The commission monitors, investigates, and submits to Congress an annual report and recommendations on the national security implications of the bilateral trade and economic relationship between the United States and the People's Republic of China.

## **Title II—United States Agency for International Development (USAID)**

This title provides operational funds for USAID, an independent agency (under the foreign policy guidance of the Department of State) directly responsible for implementing most bilateral development assistance and disaster relief programs, many of which are funded in Title III.

### **Funds Appropriated to the President**

#### **Operating Expenses (OE)**

The Operating Expense account funds the operational costs of USAID including salaries and benefits, overseas and Washington, DC, operations, staff training, security, and information technology maintenance and upgrades.

#### **Capital Investment Fund**

A program begun in FY2003, the Capital Investment Fund supports USAID modernization of information technology systems and the construction of facilities overseas.

#### **Office of Inspector General**

This account supports operational costs of USAID's Inspector General office, which conducts audits and investigations of USAID programs, as well as of the Millennium Challenge Corporation, the Inter-American Foundation, the United States African Development Foundation, and the Overseas Private Investment Corporation.

## **Title III—Bilateral Economic Assistance**

Under this title, funds are appropriated in support of U.S. government departments and independent agencies conducting humanitarian, development, and other programs meeting U.S. foreign policy objectives throughout the world.

### **Funds Appropriated to the President**

Funds in this category of appropriations are provided chiefly through USAID or in close association with the Department of State.

#### **Global Health Programs**

Global Health Programs is made up of two accounts supporting multiple health activities conducted by USAID and the Department of State:

### ***Global Health-USAID***

Managed by USAID, appropriations in this account fund programs focused on combating infectious diseases such as immunization and oral rehydration; HIV/AIDS; malaria; tuberculosis; maternal and child health; vulnerable children; and family planning and reproductive health.

### ***Global Health-State***

Managed by the Office of the Global AIDS Coordinator (OGAC) in the Department of State, this account is the largest source of funding for the President's Emergency Plan for AIDS Relief (PEPFAR). Programs funded from this account are implemented by USAID, the Department of Defense, the Centers for Disease Control and Prevention, and the Peace Corps, among others. A specified amount from the Global Health-State account supports the U.S. contribution to the multilateral Global Fund to Fight AIDS, Tuberculosis and Malaria.

### **Development Assistance (DA)**

Managed by USAID, the Development Assistance account funds programs focused on agriculture, private sector development, microcredit, water and sanitation, education, environment, and democracy and governance, among other sectors.

### **International Disaster Assistance (IDA)**

Managed by the USAID Office of Foreign Disaster Assistance, the account provides relief and rehabilitation to nations struck by natural and manmade disasters and emergencies. In recent years, the account has been used increasingly to provide emergency food assistance to supplement commodity food aid provided through the P.L. 480 Title II account in the agriculture appropriation.

### **Transition Initiatives**

The Transition Initiatives account supports the activities of USAID's Office of Transition Initiatives (OTI), a program launched in 1994 to bridge the gap between disaster and development aid. It supports flexible, short-term assistance projects in transition countries that are moving from war to peace, civil conflict to national reconciliation, or where political instability has not yet erupted into violence and where conflict mitigation might prevent the outbreak of such violence.

### **Complex Crises Fund**

The fund allows USAID to respond to emerging or unforeseen crises with projects aimed at the root causes of conflict or instability. It is meant to replace funding formerly provided through the Department of Defense Section 1207 authority.

### **Development Credit Authority (DCA)**

Managed by USAID, the Development Credit Authority specifies an amount of funds that may be transferred from other accounts to subsidize U.S. loan guarantees that assume a portion of the risk taken by private banks financing housing shelter projects, water and sanitation systems, and microcredit and small enterprise development programs, among others. The provision also directly appropriates administrative costs to run the credit program.

## **Economic Support Fund (ESF)**

The Economic Support Fund uses economic assistance to advance U.S. political and strategic goals in countries of special importance to U.S. foreign policy. Key recipients in recent years include Afghanistan, Pakistan, Iraq, South Sudan, Egypt, Colombia, and Jordan. Funding decisions are made by the State Department; programs are implemented largely by USAID.

## **Democracy Fund**

The fund supports democratization programs run by the State Department's Bureau of Democracy, Human Rights and Labor (DRL), and USAID's Office of Democracy and Governance.

## **Assistance for Europe, Eurasia, and Central Asia (AEECA)**

This account provides economic assistance to Eastern Europe and former states of the Soviet Union, and is the successor to two earlier accounts that channeled aid to the region after the Cold War.<sup>8</sup> AEECA was discontinued at the Obama Administration's request between FY2013 and FY2015, during which time these activities were funded through the ESF, GHP, and INCLE accounts, and reinstated in FY2016.

## **Department of State**

### **Migration and Refugee Assistance (MRA)**

The Migration and Refugee Assistance program supports refugee relief activities worldwide and, in some cases, helps resettle refugees. Most MRA funds are channeled to international organizations such as the U.N. High Commissioner for Refugees.

### **United States Emergency Refugee and Migration Assistance (ERMA) Fund**

ERMA holds contingency funds that can be drawn upon quickly in times of refugee emergencies. Appropriations replenish resources to this account.

## **Independent Agencies**

### **Peace Corps**

The Peace Corps, established in 1961, sends U.S. volunteers to developing countries to provide technical aid and to promote mutual understanding on a people-to-people basis.

### **Millennium Challenge Corporation (MCC)**

Established in 2004, the MCC supports large-scale, five-year development projects, called "compacts," designed and implemented by recipient countries, which are selected on the basis of their commitments to good governance; investment in health, education, and the environment; and support for economic freedom.

---

<sup>8</sup> The accounts were commonly known as the SEED Act account (Support for East European Democracy), after its authorizing legislation (P.L. 101-179), and the FREEDOM Support Act account (Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act), after its authorizing legislation (P.L. 102-511).

### **Inter-American Foundation (IAF)**

The IAF finances small-scale enterprise and grassroots community self-help activities aimed at assisting poor people in Latin America.

### **United States African Development Foundation (USADF)**

The USADF finances small-scale enterprise and grassroots community self-help activities aimed at assisting poor people in Africa.

## **Department of the Treasury**

### **International Affairs Technical Assistance**

This technical assistance program supports financial advisors to countries seeking help in implementing economic reforms, focusing on banking and financial institutions, economic crimes, government debt, revenue policy, and budget and financial accountability.

## **Title IV—International Security Assistance**

## **Department of State**

### **International Narcotics Control and Law Enforcement (INCLE)**

The INCLE account funds international counternarcotics activities; anticrime programs, including fighting human trafficking; and rule of law activities, including support for judicial reform.

### **Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR)**

This account funds a variety of State Department-managed activities aimed at countering proliferation of weapons of mass destruction, supporting antiterrorism training and related activities, and promoting demining operations in developing nations.

### **Peacekeeping Operations (PKO)**

Unlike the Title I Contributions to Peacekeeping Activities (CIPA) account, which provides assessed funds for peacekeeping forces, the PKO account provides voluntary support for multilateral efforts in conflict resolution, including the training of African peacekeepers and funding operations of the Multinational and Observers Mission in the Sinai. The State Department controls the funds and sets the policy; DOD implements the activities.

## **Funds Appropriated to the President**

### **International Military Education and Training (IMET)**

Through IMET, the United States provides training and education to selected foreign military and civilian personnel on U.S. military practices and standards, including democratic values. The State Department controls the funds and has policy authority; the Department of Defense implements this program.



## **Foreign Military Financing Program (FMF)**

The Foreign Military Financing Program supports U.S. overseas arms transfers on a grant basis. The State Department controls the funds and has policy authority; the Department of Defense implements this program.

# **Title V—Multilateral Assistance**

## **Funds Appropriated to the President**

### **International Organizations and Programs (IO&P)**

This account provides voluntary donations through the Department of State to support the programs of international agencies involved in a range of development, humanitarian, and scientific activities, including the U.N. Development Program (UNDP), U.N. Environment Program (UNEP), U.N. Children’s Fund (UNICEF), and U.N. Population Fund (UNFPA). This is distinct from the CIO account under Title I, which funds assessed contributions (dues) to international organizations.

### **International Financial Institutions**

Under this category, funds are provided through the Department of the Treasury to a wide range of multilateral financial institutions, which offer loans—both “soft” (i.e., concessional) and “hard” (i.e., near-market rate)—and some grants to developing countries and private sector entities in those countries. Not all international financial institutions require or receive U.S. contributions from year to year.<sup>9</sup>

---

<sup>9</sup> Among those that sometimes receive funding but for which there was either no appropriation in FY2018 are the following:

World Bank: International Bank for Reconstruction and Development (IBRD.) The IBRD is the World Bank window that provides loans on near-market terms to promote economic development primarily in middle-income countries, based largely on bond sales. Appropriated funds support the “general capital increase” at the IBRD.

Inter-American Development Bank (IDB.)The IADB promotes economic and social development in Latin America and the Caribbean by providing near-market rate loans through its ordinary capital account and concessional loans to the poorest nations through its Fund for Special Operations (FSO). Appropriated funds support the “general capital increase” at the IDB.

The International Finance Corporation (IFC). IFC, another World Bank window, makes loans and equity investments to promote growth of productive private enterprise in developing nations.

World Bank Multilateral Investment Guaranty Agency (MIGA). MIGA encourages private investment in developing countries by offering insurance against noncommercial risks such as expropriation.

European Bank for Reconstruction and Development (EBRD). The EBRD lends at near-market rates to help East European and former Soviet states adopt market economies. Private sector and privatizing public sector firms receive substantial amounts of EBRD lending.

Inter-American Investment Corporation (IIC). The IIC is an IADB facility that makes loans and equity investments to promote the growth of small and medium-sized private enterprise in Latin America and the Caribbean.

Enterprise for the Americas Multilateral Investment Fund (MIF). The MIF, a multi-donor trust fund residing within the Inter-American Development Bank, provides technical and financial assistance to help countries in Latin America and the Caribbean to reform their investment policies in order to attract foreign investment.

Clean Technology Fund (CTF). This multilateral fund, for which the World Bank is trustee, seeks to reduce the growth of greenhouse gas emissions in developing countries by financing the extra costs of commercially available cleaner



In the case of concessional lending institutions, U.S. appropriations contribute to periodically agreed donor replenishments as capital is drawn down. Nonconcessional bank institutions rarely require new financial commitments. In FY2018, funds were appropriated for the following entities.

### ***Global Environment Facility (GEF)***

Cosponsored by the UNDP, UNEP, and the World Bank, the GEF makes grants to help developing countries deal with global environmental problems.

### ***World Bank: International Development Association (IDA)***

As the World Bank's "soft loan" window, IDA lends at concessional rates to low-income countries.

### ***Asian Development Fund (AsDF)***

The AsDF is the "soft loan" window of the Asian Development Bank (AsDB), which finances economic development programs in Asia and the Pacific.

### ***African Development Bank (AfDB)***

The AfDB lends at near-market rates, with special emphasis on agriculture, infrastructure, and industrial development. To support a general capital increase, legislative provisions include both paid-in capital and callable capital subscriptions.<sup>10</sup>

### ***African Development Fund (AfDF)***

The AfDF lends on concessional terms to low-income sub-Saharan African countries. It resides within the African Development Bank.

### ***International Fund for Agricultural Development (IFAD)***

IFAD is a multilateral financial institution helping developing countries increase agricultural productivity and income, improve nutritional levels, and integrate into larger markets.

---

technologies over dirtier, conventional alternatives.

Strategic Climate Fund (SCF). Another multi-donor fund seeking to address climate change under the auspices of the World Bank, the SCF supports three targeted programs: the Pilot Program for Climate Resilience, the Forest Investment Program, and the Program for Scaling-Up Renewable Energy in Low-Income Countries. Each program seeks to pilot new approaches and scaled-up activities to address climate change challenges in developing countries.

Asian Development Bank (AsDB). The Asian Development Bank provides loans on near-market terms to promote economic development.

North American Development Bank (NADBank). The NADBank is governed by the United States and Mexico as part of the North American Free Trade Agreement (NAFTA). It began lending in 1996 to finance environmental infrastructure projects along the U.S./Mexico border, as well as community adjustment and investment activities in both nations.

Global Agriculture and Food Security Program (GAFSP) The GAFSP was established with leading developed and developing countries (the G-20) to increase investments in agriculture and food security in poor countries. The United States chairs the Steering Committee of this fund.

<sup>10</sup> U.S. financial commitments to the general capital increases include "paid-in" capital (money paid directly to the multilateral development bank) and "callable capital" (money that is a guarantee, but only paid in the event of a default). Callable capital is denoted in legislation as a "Limitation on Callable Capital Subscriptions."

## **Title VI—Export and Investment Assistance**

### **Export-Import Bank of the United States**

The Export-Import Bank issues loan guarantees and insurance to commercial banks that make trade credits available to American exporters. The bank also extends direct loans to U.S. businesses, especially those whose counterparts abroad receive foreign government-subsidized trade credits. An appropriation is provided for the agency’s inspector general. An appropriation ceiling is also specified for a subsidy to support the agency’s programs and administrative expenses, but most, if not all, of these costs are annually covered by bank receipts.

### **Overseas Private Investment Corporation (OPIC)**

OPIC offers political risk insurance, guarantees, and investment financing to encourage U.S. firms to invest in developing countries. Although the agency is self-sustaining, the appropriation sets ceilings on administrative expenses to carry out the insurance programs and denotes a level of support for credit financing.

### **Trade and Development Agency (TDA)**

The TDA finances feasibility studies and other project-planning services for major development activities in developing countries, to support economic development and to promote U.S. exports.

## **Title VII—General Provisions**

Under the General Provisions title are limitations and prohibitions on assistance; administrative, notification, and reporting requirements; and more detailed funding mandates for specific accounts in other titles of the legislation.<sup>11</sup> This title specifies allocations for various aid sectors, including education, democracy promotion, water and sanitation, and food security, as well as cross-cutting issues such as gender equality. In addition, Title VII provides more detail about aid to certain countries and regions.

## **Title VIII—Overseas Contingency Operations/Global War on Terrorism**

Since FY2012, executive branch budget requests have distinguished between “core” or “enduring” international affairs funding and funding to support “overseas contingency operations” (OCO). The OCO designation was described initially in budget documents as reflecting “the extraordinary costs of Department [of State] and U.S. Agency for International Development (USAID) operations and programs in Afghanistan, Iraq, and Pakistan” and extended by the Obama Administration in 2014 to include efforts to combat the Islamic State.<sup>12</sup> Congress has adopted this approach, appropriating OCO funding for an even broader range of

---

<sup>11</sup> For further discussion, see CRS Report R40557, *Foreign Operations Appropriations: General Provisions*, by Dianne E. Rennack, Lisa Mages, and Susan G. Chesser.

<sup>12</sup> From Department of State, *Congressional Budget Justification, Foreign Operations, and Related Programs, Fiscal Year 2015*, p. 138, and White House, Office of Management and Budget, *Budget Estimate No. 5*, November 10, 2014.

countries and activities. OCO funding supports accounts that received core funding in Titles I-V of the legislation, but is identified separately in Title VIII. OCO funds are not counted toward spending caps established by the Budget Control Act, 2011, as amended (P.L. 112-25).

## **Author Information**

Cory R. Gill  
Analyst in Foreign Affairs

Marian L. Lawson  
Specialist in Foreign Assistance Policy

---

## **Disclaimer**

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.